

# TIR 15-9: Electronic Filing and Payment Requirements Extended to Additional Tax Types

From time to time, the Commissioner announces expanded requirements for electronic filing and payment as authorized under G.L. c. 62C, § 5. The expansion of electronic filing and reporting requirements reflects advances in technology that have led increasing numbers of taxpayers to do business electronically.

This technical information release announces that, effective January 1, 2016, additional taxpayers will be required to file and pay their taxes electronically. The table below describes all electronic filing and payment requirements in effect as of January 1, 2016, including those requirements that were previously announced. The taxpayers impacted by the new requirements are as follows:

- New business registrants for the following excises: alcoholic beverages, cigarettes and tobacco, gasoline and fuel, ferry embarkation, satellite service, or Convention Center financing surcharges;
- Businesses with combined annual liability for wage withholding, sales and use tax, and other transactional taxes at or exceeding \$5,000;<sup>1</sup>
- Certain businesses and organizations, including financial institutions, urban redevelopment excise filers and 501(c) corporations, reporting annual gross income of \$100,000 or more on their corporate excise returns;
- Insurance companies;
- New and renewal applicants for tobacco retailer licenses; and
- New and renewal applicants for distributors, importers and exporters of gasoline and user-sellers or suppliers of special fuels licenses.

As of January 1, 2016, the Department of Revenue will have in place all systems necessary for taxpayers to comply with the electronic filing and payment requirements of this TIR. As of that date a taxpayer subject to this TIR will be required to file or pay electronically and will not be permitted to manually submit its filing and payment. If a taxpayer, without reasonable cause, fails to conform any filing, data transfer or payment with the method prescribed by the Commissioner, a penalty of not greater than \$100 for each improper return, document or data transmission and for each improper payment shall be added to and become a part of the tax required to be paid. G.L. c. 62C, § 33(g). If, despite its best efforts, a taxpayer has difficulty making the transition from paper to electronic filing and payment, it should contact the Department's Customer Service Bureau at (617) 887-MDOR or toll-free in Massachusetts at (800) 392-6089 to inquire about the process for a waiver of penalties.

<sup>1</sup> The Commissioner anticipates that effective January 1, 2017, this threshold may be reduced further or eliminated. Further guidance will be forthcoming on this point.

Electronic Filing Requirements as of January 1, 2016

Business Trustee Taxes	MUST FILE ELECTRONICALLY
New business registrations for any of the tax types below <ul style="list-style-type: none"><li>• wage withholding,</li><li>• room occupancy,</li><li>• sales &amp; use (including sales tax on meals and telecommunication services), or</li><li>• alcoholic beverages excise,<sup>[1]</sup></li><li>• cigarettes &amp; tobacco,<sup>[2]</sup></li><li>• gasoline and fuel,<sup>[3]</sup></li><li>• ferry embarkation,<sup>[4]</sup></li></ul>	<ul style="list-style-type: none"><li>• return</li><li>• amendment and abatement requests</li><li>• payment with return</li></ul>

<ul style="list-style-type: none"> <li>• satellite service,<a href="#">[5]</a> or</li> <li>• Convention Center financing surcharges.<a href="#">[6]</a></li> </ul>			
<p>Businesses with certain combined tax liabilities at or exceeding the \$5,000 “combined tax threshold”<a href="#">[7]</a></p> <p>Businesses or organizations:</p> <p>1. that have an annual combined tax liability of \$5,000 or more tallied from among all of the following types of taxes:</p> <table border="1" data-bbox="42 436 846 884"> <tr> <td data-bbox="42 436 537 884"> <ul style="list-style-type: none"> <li>• wage withholding,</li> <li>• room occupancy,</li> <li>• sales &amp; use (including sales tax on meals and telecommunication services),</li> <li>• alcoholic beverages excise,</li> <li>• cigarettes &amp; tobacco,</li> </ul> <p>OR</p> </td><td data-bbox="537 436 846 884"> <ul style="list-style-type: none"> <li>• gasoline and fuel,</li> <li>• ferry embarkation,</li> <li>• satellite service, and</li> <li>• Convention Center financing surcharges;</li> </ul> </td></tr> </table>	<ul style="list-style-type: none"> <li>• wage withholding,</li> <li>• room occupancy,</li> <li>• sales &amp; use (including sales tax on meals and telecommunication services),</li> <li>• alcoholic beverages excise,</li> <li>• cigarettes &amp; tobacco,</li> </ul> <p>OR</p>	<ul style="list-style-type: none"> <li>• gasoline and fuel,</li> <li>• ferry embarkation,</li> <li>• satellite service, and</li> <li>• Convention Center financing surcharges;</li> </ul>	<ul style="list-style-type: none"> <li>• return</li> <li>• amendment and abatement requests</li> <li>• payment with return</li> <li>• withheld amount</li> </ul>
<ul style="list-style-type: none"> <li>• wage withholding,</li> <li>• room occupancy,</li> <li>• sales &amp; use (including sales tax on meals and telecommunication services),</li> <li>• alcoholic beverages excise,</li> <li>• cigarettes &amp; tobacco,</li> </ul> <p>OR</p>	<ul style="list-style-type: none"> <li>• gasoline and fuel,</li> <li>• ferry embarkation,</li> <li>• satellite service, and</li> <li>• Convention Center financing surcharges;</li> </ul>		
<p>2. that met the \$5,000 combined tax threshold or the then-applicable combined tax threshold for electronic filing in a previous year and/or prior twelve months.</p>			
<p>Corporate and Financial Institution Excises and Insurance Company Premium Tax</p>			
<p>Businesses or organizations:</p> <p>1. that have annual gross receipts or income of \$100,000 or more as described below:</p> <ul style="list-style-type: none"> <li>• Corporations reporting more than \$100,000 in gross receipts or sales or other income on their federal return;</li> <li>• S Corporations reporting gross income totaling more than \$100,000;<a href="#">[8]</a></li> <li>• financial institutions with gross income (as defined in G.L. c. 63, § 1) of \$100,000 or more;<a href="#">[9]</a></li> <li>• taxpayers paying the urban redevelopment excise reporting gross income of \$100,000 or more; or</li> <li>• 501(c) corporations reporting unrelated business taxable income of \$100,000 or more;</li> </ul> <p>OR</p> <p>2. that met this excise or tax electronic filing threshold or the then-applicable excise or tax electronic filing threshold in a previous year.</p>	<ul style="list-style-type: none"> <li>• return</li> <li>• payment with return</li> <li>• estimated payments</li> <li>• extension payments</li> <li>• amendment and abatement requests</li> </ul>		
<p>Corporations filing extension requests.<a href="#">[10]</a></p>	<ul style="list-style-type: none"> <li>• extension payments of \$5,000 or more</li> </ul>		
<p>Insurance companies subject to tax under G.L. c. 63.<a href="#">[11]</a></p>	<ul style="list-style-type: none"> <li>• return</li> </ul>		

	<ul style="list-style-type: none"> <li>• payment with return</li> <li>• estimated payments</li> <li>• extension payments</li> <li>• amendment and abatement requests</li> </ul>
Principal reporting corporation on behalf of taxpayer members of a combined group. <a href="#">[12]</a>	<ul style="list-style-type: none"> <li>• return</li> <li>• payment with return</li> <li>• amendment and abatement requests</li> <li>• extension payments</li> </ul>
Pass-through Entity and Fiduciary Filers	
Partnerships: <ol style="list-style-type: none"> <li>1. with 25 or more partners, or</li> <li>2. at or above the partnership e-file annual income or loss threshold of: <ol style="list-style-type: none"> <li>a. \$50,000 or more in gross income or ordinary loss; or</li> <li>b. \$100,000 in gains or losses through sale of stock.<a href="#">[13]</a></li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>• return</li> <li>• extensions</li> </ul>
Partnership composite returns on behalf of individual non-resident members. <a href="#">[14]</a>	<ul style="list-style-type: none"> <li>• return</li> <li>• estimated payments</li> <li>• extension payments</li> </ul>
Pass-through entities with members other than resident individuals or with members receiving distributive share for which withholding or estimated taxes have been paid. <a href="#">[15]</a>	<ul style="list-style-type: none"> <li>• return</li> <li>• extension payments</li> <li>• amended returns</li> </ul>
Fiduciaries with annual total Part A, Part B and Part C net taxable income of \$50,000 or more. <a href="#">[16]</a>	<ul style="list-style-type: none"> <li>• payment with return</li> <li>• estimated payment</li> </ul>
Personal Income Tax	
Personal income tax preparers must file all Massachusetts personal income tax returns ( <i>i.e.</i> , Forms 1 and 1-NR-PY) electronically unless the preparer reasonably expects to file 10 or fewer original Massachusetts Forms 1 and 1-NR-PY during the calendar year or the taxpayer directs that filing be done on paper. <a href="#">[17]</a>	<ul style="list-style-type: none"> <li>• return</li> </ul>
Individuals filing extension requests. <a href="#">[18]</a>	

	<ul style="list-style-type: none"> <li>extension payments of \$5,000 or more, or extension requests with no payment</li> </ul>
Employers, Pension Payers, Third Party Bulk Filers, Other Payers	
Employers filing 50 or more quarterly wage reports. <a href="#">[19]</a>	<ul style="list-style-type: none"> <li>W-2 information</li> </ul>
Pension payers filing Form M-945 and withholding income tax for payee. <a href="#">[20]</a>	<ul style="list-style-type: none"> <li>return</li> <li>payment with return</li> <li>withheld amount</li> </ul>
Third party bulk filers (withhold and file for employers' wage withholding obligation). <a href="#">[21]</a>	<ul style="list-style-type: none"> <li>return</li> <li>payment with return</li> <li>withheld amount</li> </ul>
Persons who file 50 or more of any particular form in the 1099 series annually. <a href="#">[22]</a>	<ul style="list-style-type: none"> <li>Form 1099.</li> </ul>
Cigarette Stampers	
Bonded cigarette stampers. <a href="#">[23]</a>	<ul style="list-style-type: none"> <li>payment (unless stamps paid for at time of pick-up)</li> </ul>
License Applications and Renewals	
Cigarette Retailers	
Applicants including renewal applications for tobacco retailer licenses	<ul style="list-style-type: none"> <li>Form CT-RL</li> </ul>
Gasoline and Fuel Suppliers	
Applicants including renewal applications for distributors, importers and exporters of gasoline and user-sellers or suppliers of special fuels	<ul style="list-style-type: none"> <li>Form GT-1</li> <li>Form SFT-1</li> </ul>

[\[1\]](#) Imposed under G.L. c. 138, § 21.

[\[2\]](#) Cigarette and tobacco excises include those on cigar and smoking tobacco imposed under G.L. c. 64C, § 7B; cigarette stamp purchases and cigarette license taxes imposed under G.L. c. 64C, and club alcohol excise for alcoholic beverages sold by a "chapter 180 organization." (Generally, a chapter 180 organization is any corporation, association, or organization, including fraternal organization, that is licensed by any city or town in Massachusetts to sell alcoholic beverages and that was organized under Chapter 180 of Massachusetts General Laws.)

[\[3\]](#) Gasoline and fuel taxes include the following: IFTA taxes, including the purchase of annual decals as required under G.L. c. 64F, § 6; excise on special fuels

under G.L. c. 64E, excise on jet fuel under G.L. c. 64J, excise on gasoline fuel under G.L. c. 64A; and excise on aviation gasoline under G.L. c. 64J.

[4] Authorized under section 129 of chapter 46 of the Acts of 2003, as amended by section 11 of chapter 55 of the Acts of 2003 and sections 44-47 of chapter 65 of the Acts of 2004.

[5] Imposed under G.L. c. 64M.

[6] The Convention Center financing surcharge is imposed on sightseeing tours, vehicle rentals, and parking facilities under G.L. c. 62C, § 86.

[7] "Combined tax threshold" refers to a taxpayer's annual combined tax liability for all of the listed tax types for the purpose of determining whether the taxpayer must file electronically. The annual combined tax threshold is currently set at \$5,000; taxpayers at or above that level of tax liability for one or more of the nine listed tax types must file returns and pay taxes electronically. The combined tax threshold concept was first applied to wage withholding, room occupancy, and sales and use taxes in TIR 02-22, and the threshold was reduced from \$10,000 to \$5,000 in TIR 10-18.

[8] See TIR 05-22, section II.A, for the definition of C corporation revenue amounts that are included in the threshold calculation, and TIR 10-18, section II for the definition of S corporation revenue amounts that are included in the threshold calculation. Note that the annual threshold is now set at \$100,000 or more (previously, the annual threshold was set at revenue amounts exceeding \$100,000).

[9] Financial institutions were previously required to pay electronically if they had gross income of \$100,000 or more. They were not, however, required to file electronically. See TIR 04-30.

[10] See TIR 04-30 II.B.

[11] Insurance companies were previously required to pay electronically if they had taxable revenue of \$100,000 or more. They were not, however, required to file electronically. See TIR 04-30.

[12] See TIR 09-18 II.

[13] See TIR 03-11 X.

[14] See TIR 09-18 III.

[15] See TIR 09-18 IV.

[16] See TIR 04-30 II.E.

[17] See TIR 11-13.

[18] See TIR 04-30 II.D.

[19] See TIR 04-30 II.F.

[20] See TIR 04-30 II.G.

[21] See TIR 04-30 III.A.

[22] See DD 09-09.

[23] See TIR 04-30 III.F.

/s/Mark E. Nunnelly

Mark E. Nunnelly

Commissioner of Revenue

MEN:RHF:ds

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